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COMMUNITY AND STATE ENERGY PLANNING ASSISTANCE

COMPLETED ORIGINAL

SEPTEMBER 4, 1980.—Ordered to be printed

Mr. STAGGERS, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany S. 1280 which on July 29, 1980, was referred jointly to the Committee on Interstate and Foreign Commerce and the Committee on Science and Technology]

[Including cost estimate of the Congressional Budget Office]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 1280) to provide assistance to States and to political subdivisions within States to promote national energy objectives, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the "Community and State Energy Planning Assistance Act of 1980".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title.
Sec. 2 Definitions.

TITLE I—COMMUNITY ENERGY PLANNING ASSISTANCE

Sec. 101. Grants to assist local community energy planning.
Sec. 102. Grants to assist implementation of community energy plans.
Sec. 103. Authorization of appropriations.
Sec. 104. Allocation of grants.
Sec. 105. General provisions regarding grants.
Sec. 106. Annual reports.

TABLE II—IMPROVEMENTS IN ADMINISTRATION OF EXISTING STATE ENERGY PLANNING PROGRAMS

Sec. 201. Consolidation and coordination of certain State energy grant programs.
Sec. 202. Reprograming of certain State energy grant funds.

59-006 O

43

TITLE III—STATE LONG-RANGE ENERGY PLANS

Sec. 301. Grants for State long-range energy planning.
Sec. 302. Authorization of appropriations.
Sec. 303. Allocation of grants.
Sec. 304. General provisions regarding grants.

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) The term "applicant" means any unit of local government applying for a grant under section 101 or 102, or any combination of such units which files an application for such a grant.

(2) The term "conservation" means a reduction of inefficient energy consumption or an increase in the efficiency of energy use.

(3) The term "Governor" means the chief executive officer of a State, or the designee of such officer.

(4) The term "renewable resource" means any source of energy that is regenerative or essentially inexhaustible, including solar, wind, low-head hydroelectric, biomass, and ocean systems energy, but not including nuclear fission and fusion materials.

(5) The term "Secretary" means the Secretary of Energy.

(6) The term "State" means each of the 50 States and the District of Columbia.

(7) The term "unit of local government" means the government of a county, municipality, or township, which is a unit of general purpose government (determined on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes) and the District of Columbia. Such term also means the recognized body of an Indian tribe (as defined in section 412 of the Energy Conservation and Production Act) which governing body performs substantial governmental functions.

TITLE I—COMMUNITY ENERGY PLANNING ASSISTANCE

SEC. 101. GRANTS TO ASSIST LOCAL COMMUNITY ENERGY PLANNING.

(a) GRANTS.—In accordance with this section, section 105, and such regulations as the Secretary may prescribe, the Secretary may commit to make, and make, a grant to any applicant for the costs of preparing a local energy plan.

(b) LOCAL ENERGY PLAN.—(1) For purposes of this section, a local energy plan is a plan of a unit of local government (or a combination of such units of government) which, when implemented, will—

(A) provide for energy conservation;

(B) encourage the use of renewable resources through technologies which are commercially available; or

(C) result in a combination of such conservation and renewable resource usage.

(2) In addition to the requirements of paragraph (1), each local energy plan shall—

(A) include recommendations for conservation of energy used in buildings owned by any unit of local government covered by the plan, as well as energy used in vehicle fleet and equipment operation, street and building lighting, traffic management, heating and cooling, and other municipal services and activities; and

(B) provide for coordination with Federal and State energy use and conservation programs, activities, and objectives.

(c) AMOUNT OF GRANT.—(1) The amount of any grant under this section for any applicant shall not exceed 80 percent of the reasonable costs paid or incurred by the applicant in preparing a local energy plan. The availability of financial assistance to an applicant under other provisions of Federal law shall be taken into account in determining the amount of any grant under this section to that applicant.

(2) The Secretary shall establish criteria for determining the amount of any grant under this section, which criteria shall include the population and other relevant characteristics of the applicant.

(d) APPLICATION; OPPORTUNITY FOR LOCAL PUBLIC COMMENT.—(1) A grant under this section shall be provided only upon the approval by the Secretary of an application containing the information required under subsection (f).

(2) An applicant shall provide for reasonable notice and opportunity for public comment on any application before it is submitted under this section.

(3) During the public comment period, the applicant shall provide a copy of any such proposed application to the Governor of the State in which the unit or units of local government are located.

(e) PERIOD ALLOWED FOR FILING APPLICATION.—(1) No grant may be made under this section unless—

(A) written notice of intent to apply for such grant is filed with the Secretary during the 6-month period beginning on the date which funds are first appropriated for this title; and

(B) the grant application is filed with the Secretary during the 12-month period after notice of intent is filed under subparagraph (A).

(2) The Secretary may extend the periods for filing any notice of intent or application under this subsection.

(f) CONTENTS OF APPLICATIONS.—Any application for a grant under this section for preparation of a local energy plan shall include—

(1) a statement of the purposes of the plan for which a grant is sought under this section, including the types of energy use the applicant anticipates will be considered under the plan;

(2) a commitment that upon the development of the plan the applicant will undertake oversight and review of the plan and any activities taken under the plan, together with such assurances as the Secretary considers appropriate that resources will be available for such purposes;

(3) a statement of the source of funds for covering those costs of preparing the plan which are not covered by any grant under this title;

(4) a summary of the comments on the application received by the applicant under subsection (d)(2); and

(5) such other information as the Secretary may require.

Such application shall be simple and concise in form and shall require only such information as may be necessary to allow the Secretary to efficiently and effectively consider such application.

(g) APPLICATION APPROVAL.—(1) After consideration of any grant application under this section and subject to the availability of funds, the Secretary may approve a grant under this section if the Secretary finds that the requirements of this title regarding such application have been met.

(2) In determining whether to approve any grant application, the Secretary shall take into account whether the unit or units of local government have energy plans and the adequacy of such plans.

(3) Any grant under this section shall be on terms and conditions which the Secretary determines are appropriate and which are consistent with the purposes of this Act. The terms and conditions shall—

(A) provide that the local energy plan will be completed and submitted to the Secretary on the date specified in the grant application (which shall not be later than 24 months after the date of the grant approval);

(B) require that, before submittal to the Secretary, the applicant—

(i) will make copies of the proposed plan available to the public and provide an opportunity (of not less than 60 days' duration) for oral or written public comment, and

(ii) may make such modifications in the plan as the applicant considers appropriate on the basis of the public comments; and

(C) require implementation of any aspects of the plan which do not require substantial cost to the applicant or any person affected by the plan.

(4) The Secretary may extend the date by which any action is required to be taken under paragraph (3).

(h) CONSOLIDATION.—(1) The Secretary shall prescribe procedures which permit and encourage units of local government to consolidate the filing of applications under this section and the preparing of local energy plans covering those units which file consolidated applications.

(2) Under procedures which the Secretary shall prescribe, applications received from units of local government which are within the jurisdiction of another unit of local government may be required to be consolidated with any application of that unit.

(i) REGULATIONS.—The Secretary shall initially prescribe and make effective the regulations required to implement this section not later than 60 days after the date of the enactment of this Act.

SEC. 102. GRANTS TO ASSIST IMPLEMENTATION OF COMMUNITY ENERGY PLANS.

(a) GRANTS.—(1) In accordance with this section, section 105, and such regulations as the Secretary may prescribe, the Secretary may commit to make, and make, a grant to any applicant for the costs of implementing a local energy plan, whether or not prepared pursuant to a grant under section 101, if that plan is approved under subsection (c).

(2) Funds may be provided for only one 12-month period for the implementation of any local energy plan, except that the Secretary may, on request, extend the period of funding. In no event may the period of funding for implementation of any local energy plan exceed 36 months.

(b) AMOUNT OF GRANT.—The amount of any grant under this section for any applicant shall not exceed 50 percent of the reasonable costs paid or incurred by the applicant in implementing a local energy plan. The availability of financial assistance to an applicant under other provisions of Federal law (other than under part H of title III of the Energy Policy and Conservation Act) shall be taken into account in determining the amount of any grant under this section to that applicant.

(c) APPLICATION; PLAN APPROVAL; OPPORTUNITY FOR LOCAL PUBLIC COMMENT.—(1) A grant under this section shall be provided only upon the approval by the Secretary of an application containing the information required under subsection (d).

(2) The Secretary shall prescribe the periods during which applications may be filed and considered under this section.

(3) The Secretary shall not approve any application for a grant under this section unless the Secretary determines—

(A) that the local energy plan involved meets the requirements set forth in section 101(b); and

(B) that reasonable efforts have been or are being made to obtain funding under the provisions of part H of title III of the Energy Policy and Conservation Act for measures under the plan for which funds are available under such provisions.

(4) An applicant shall provide for reasonable notice and opportunity for public comment on any application before it is submitted under this section.

(5) During the public comment period, the applicant shall provide a copy of the proposed application to the Governor of the State in which the unit of local government involved is located.

(d) CONTENTS OF APPLICATIONS.—Any application for a grant under this section for implementation of a local energy plan shall include—

(1) a copy of the local energy plan, together with any related implementation data and information;

(2) a commitment that upon termination of the grant the applicant will continue implementation of the plan and undertake oversight and review of the plan and its implementation, together with such assurances as the Secretary considers appropriate that resources will be available for such purposes;

(3) a statement of the source of funds for covering those costs of implementing the plan which are not covered by any grant under this title;

(4) evidence demonstrating that the actions proposed to be funded under the local energy plan are practicable;

(5) a summary of the comments on the plan received by the applicant under section 101(g)(3)(B), and any modifications in the plan based on such comments, together with a summary of comments received by the applicant on the grant application under this section; and

(6) such other information as the Secretary may require.

Such application shall be simple and concise in form and shall require only such information as may be necessary to allow the Secretary to efficiently and effectively consider such application.

(e) APPLICATION APPROVAL.—(1) After consideration of any grant application under this section and subject to the availability of funds, the Secretary may approve a grant under this section if the Secretary finds that the requirements of this title regarding such application have been met.

(2) In determining whether to approve any grant application under this section, the Secretary shall give priority to those grant applications for implementation of local energy plans—

(A) which, for the funds involved, produce the greatest energy conservation or use of renewable resources;

(B) which will require the least amount of public subsidy or expenditure after the implementation period for which a grant is made under this section; and

(C) which are replicable.

(3) Any grant under this section shall be on terms and conditions which the Secretary determines are appropriate and which are consistent with the purposes of this Act.

(f) REGULATIONS.—The Secretary shall initially prescribe and make effective the regulations required to implement this section not later than 60 days after the date of the enactment of this Act.

SEC. 103. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—There is authorized to be appropriated to the Secretary for the 3 fiscal years beginning after September 30, 1981, not to exceed $420,000,000 for purposes of this title, of which—

(1) not to exceed $200,000,000 shall be available for purposes of grants under section 101 for preparing local energy plans;

(2) not to exceed $200,000,000 shall be available for grants under section 102 for implementing approved local energy plans; and

(3) not to exceed $20,000,000 shall be available for program administration under this title.

(b) LIMITATIONS.—(1) If so specified in an appropriation Act, any amount appropriated pursuant to this title may remain available without fiscal year limitation.

(2) Any authority under this title to enter into a contract, commitment, grant agreement, or other agreement obligating the United States to make outlays pursuant to this title may be exercised only to such extent as may be provided in advance in appropriation Acts.

SEC. 104. ALLOCATION OF GRANTS.

(a) IN GENERAL.—Except as otherwise provided in subsection (b), the Secretary shall allocate the amounts made available under section 103 in any fiscal year for purposes of making grants under sections 101 and 102 as follows:

(1) 80 percent of amounts made available for any fiscal year shall be allocated with respect to the several States in accordance with a formula to be prescribed, by rule, by the Secretary, taking into account population and climate of each State, and such other factors as the Secretary may deem appropriate.

(2) 10 percent of amounts made available for any fiscal year shall be allocated with respect to the several States in such manner as the Secretary determines by rule after taking into account the availability and cost of fuel or other energy used in, and the amount of fuel or other energy consumed by and within the jurisdiction of, such States, and such other factors as the Secretary deems appropriate.

(3) 10 percent of amounts made available for any fiscal year shall be allocated in hardship cases in accordance with section 105(d) for paying grants to the extent such grants exceed the percentage limitations prescribed in sections 101(c) and 102(b).

(b) LIMITATION.—The total amount allocated for any State under subsection (a) in any year for section 101 or for section 102 shall not exceed 10 percent of the total amount allocated for all the States in such year under subsection (a) for that section.

(c) ADMINISTRATIVE EXPENSES.—The Secretary shall prescribe rules limiting the amount of funds committed or granted to an applicant which may be expended for administrative expenses.

(d) REALLOCATION.—Funds allocated under this section for a fiscal year but not obligated in such fiscal year shall be available for reallocation under subsection (a) of this section in the subsequent fiscal year.

SEC. 105. GENERAL PROVISIONS REGARDING GRANTS.

(a) TECHNICAL ASSISTANCE.—Upon request, the Secretary may provide, subject to the availability of personnel and funds, information and technical assistance (including model laws and model local energy plans) to units of local government for purposes of aiding such units in applying for grants under this title and in preparing, implementing, and modifying local energy plans for which grants are provided under this title.

(b) NO COMMUNITY MAY CONCURRENTLY RECEIVE GRANTS UNDER SECTIONS 101 AND 102.—A grant or commitment may not be made under section 102 for any unit of local government (or any combination in which that unit is consolidated for purposes of this title) during any fiscal year in which a grant or commitment is made under section 101 for such unit of government (or combination).

(c) CONSIDERATION OF APPLICATIONS.—The Secretary shall prescribe procedures and criteria applicable to the consideration and approval of applications for grants under this title. Such procedures and criteria shall ensure that—

(1) the applications of all units of local government are given equal consideration without regard to the types of such units and the sizes of the communities involved; and

(2) consideration is given to the fact that the limited administrative resources of small units of local government (including the recognized bodies of Indian tribes) place such units at a disadvantage in preparing applications for grants.

(d) VERIFICATION OF COST ESTIMATES.—(1) The Secretary may not approve any application for a grant under this title unless the Secretary has taken reasonable steps to verify cost estimates, including the reasonableness thereof, and other information contained in the application.

(2) Before entering into any contract under this title for the purposes of carrying out such verification activities or other functions under this title, the Secretary shall determine that the work to be performed is appropriate to be performed by contract rather than by Federal employees, that such work cannot reasonably be performed by officers and employees of the Department of Energy under the jurisdiction of the Secretary, and that the work is needed.

(e) ADJUSTMENT OF LIMITATIONS.—(1) The Secretary may make grants in excess of the limitations contained in sections 101(c) and 102(b) in severe hardship cases.

(2) The Secretary shall, by rule, prescribe criteria for determining applicants which are in a class of severe hardship. Such criteria shall take into account climate, fuel costs, fuel availability, ability to provide the non-Federal share of the costs, and such other factors that the Secretary deems appropriate.

(f) FINAL ACTION ON GRANT APPLICATIONS TO OCCUR WITHIN 4 MONTHS.—The Secretary shall take final action on any application for a grant under this title as soon as possible after the application is filed but not later than 120 days after the application is submitted, except that the Secretary may extend such period to a specified date with respect to any application if the Secretary publishes notice thereof in the Federal Register and includes with such notice a statement of the reasons for such extension, and if such extension does not extend beyond 24 months after the application was filed.

(g) RECORDS.—(1) The Secretary shall require all units of local government receiving grants under this title to keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the respective portions of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. The Secretary shall prescribe only such records as are necessary for any such audit and shall minimize the burden imposed on such recipients to create and retain records.

(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit, evaluation, examination to any books, documents, papers, and records of such receipts which in the opinion of the Secretary or the comptroller General may be related or pertinent to such grant.

(h) EXCLUSION OF RESEARCH AND DEVELOPMENT FUNDING.—Nothing in this title shall be construed to authorize funds for research or development purposes.

SEC. 106. ANNUAL REPORTS.

The Secretary shall, within one year after the date of the enactment of this title and annually thereafter while funds are available under this title, submit to the Congress a detailed report of the actions taken under this title in the preceding fiscal year and the actions planned to be taken in the subsequent fiscal year. Such report shall show the allocations made (including the allocations made for units of local government in each State) and include information on the types of actions taken, with funds allocated, and an estimate of the energy savings achieved.

TITLE II—IMPROVEMENTS IN ADMINISTRATION OF EXISTING STATE ENERGY PLANNING PROGRAMS

SEC. 201. CONSOLIDATION AND COORDINATION OF CERTAIN STATE ENERGY GRANT PROGRAMS.

(a) CONSOLIDATION.—Notwithstanding any other provision of law, a State may submit an annual consolidated application requesting financial assistance under part D of title III of the Energy Policy and Conservation Act. The portion of the consolidated annual application for each program shall be approved by the State official or State agency specifically authorized to implement that program under State law.

(b) UNIFORM TIME PERIODS.—To enable a State to submit a consolidated application described in subsection (a) for a uniform time period, the Secretary and the appropriate State official or State agency, by mutual agreement, may amend the program time period and any other administrative provision associated with financial assistance awarded under such part D before the approval of the consolidated application, and may agree that the unexpended balance of any funds made available under such programs may continue to be available for the purposes for which those funds were appropriated.

(c) RECORDS AND ACCOUNTING.—The Secretary shall prescribe rules providing, to the maximum extent practicable, uniformity, consolidation, and coordination in the records and accounting procedures required under programs under such part D.

(d) EFFECT ON EXISTING ADMINISTRATIVE AUTHORITY.—Nothing in this section shall be construed as limiting or restricting the authority of the Secretary to undertake consolidation of the administration of other financial assistance programs under the jurisdiction of the Secretary, to the extent consistent with other provisions of law.

(e) TRANSITION.—(1) The Secretary may prescribe rules providing for the orderly transition from multiple applications for financial assistance for State energy programs under such part D to the consolidated applications described in subsection (a) of this section.

(2) In the case of agreements for financial assistance entered into under such subpart D before the date of the enactment of this Act, the Secretary may—

(A) consolidate into one agreement any such agreements; and

(B) amend the time period covered by such agreements.

SEC. 202. REPROGRAMING OF CERTAIN ENERGY GRANT FUNDS.

Nothwithstanding any other law, the Secretary shall approve a State's request in a consolidated annual application under section 201 to use financial assistance appropriated for the administrative costs of a State energy program for expenditure for preparation of a State emergency conservation plan under section 212 of the Emergency Energy Conservation Act of 1979 (42 U.S.C. 8512).

TITLE III—STATE LONG-RANGE ENERGY PLANS

SEC. 301. GRANTS FOR STATE LONG-RANGE PLANNING.

(a) GRANTS.—In accordance with this section, and such regulations as the Secretary may prescribe, the Secretary may commit to make, and make, a grant to any State for the costs of preparing, modifying, or administering a State long-range energy plan for such State.

(b) STATE LONG-RANGE ENERGY PLAN.—(1) For purposes of this section, a State long-range energy plan is a plan approved by the Governor which contains—

(A) an estimate of the then current energy supply and demand within the State, and a projection of energy supply and demand in the State over the 5-year period following the year in which an application is filed under subsection (e);

(B) a description of the types of energy use affected by the plan, and a statement of State objectives for energy conservation and renewable resource use for such types of energy usage during the 3-year period following the year in which the plan is filed under subsection (e), and thereafter;

(C) a description of, and cost estimates for, the programs the State proposes in order to achieve conservation of energy and increased renewable resource use; and

(D) a description of the ways in which the State will monitor and assess progress in meeting such objectives.

(2) In developing a long-range energy plan, each State shall consider—

(A) programs by natural gas utilities and by electric utilities regulated by the State to promote energy conservation and the use of renewable resources;

(B) State tax measures or other financial incentives to encourage energy conservation and use of renewable resources;

(C) measures designed to conserve energy used for transportation; and

(D) other programs to promote energy conservation and the use of renewable resources.

(3) In addition to the requirements of paragraph (1), each State long-range energy plan shall, in accordance with such regulations as the Secretary may prescribe, provide for coordination among Federal, State, and local energy use and conservation programs, activities, and objectives.

(c) AMOUNT OF GRANT.—The amount of any grant under this section for any State shall not exceed 50 percent of the reasonable costs paid or incurred by the State in preparing a long-range energy plan. The availability of financial assistance to a State under other provisions of Federal law shall be taken into account in determining the amount of any grant under this section to that State.

(d) APPLICATION; OPPORTUNITY FOR PUBLIC COMMENT.—(1) A grant under this section shall be provided only upon the approval by the Secretary of an application filed by a State containing such information as the Secretary may require.

(2) A State shall provide for reasonable notice and opportunity for public comment on any application before it is submitted under this section.

(e) PERIOD ALLOWED FOR FILING APPLICATION.—(1) No grant may be made under this section unless an application, approved by the Governor, for a grant under this section for that State is filed with the Secretary during the 6-month period beginning on the date on which funds are first appropriated for this title.

(2) The Secretary may extend the period for filing an application under this subsection.

(f) APPLICATION APPROVAL.—(1) After consideration of any application under this section and subject to the availability of funds, the Secretary may approve an application for a grant under this section if the Secretary finds that the requirements of this title regarding the application have been met.

(2) The Secretary shall approve or disapprove an application within 120 days after the date it is received by the Secretary.

(3) Any grant under this section shall be made on terms and conditions which the Secretary determines are appropriate and which are consistent with the purposes of this Act. The terms and conditions of any grant for the preparation or modification of a long-range energy plan shall—

(A) provide that the State log-range energy plan involved will be completed and submitted to the Secretary on the date specified in the grant application (which shall not be later than 9 months after the date of the grant approval);

(B) require that, before submittal to the Secretary, the State—

(i) will make copies of the proposed plan available to the public and provide an opportunity (of not less than 90 days' duration for oral or written public comment, and

(ii) may make such modifications in the plan as the State considers appropriate on the basis of the public comments; and

(c) require implementation of any aspects of the plan which do not require substantial cost to the State or any person affected by the plan.

(4) In the case of any State, the Secretary may extend the date by which any action is required to be taken under paragraph (2) or (3).

(g) REVIEW AND APPROVAL OF STATE LONG-RANGE ENERGY PLANS.—(1) The Secretary shall review a timely submission of a State long-range energy plan. Within 120 days after receipt of such plan, the Secretary shall approve or disapprove a State long-range energy plan or a modification thereof if the Secretary determines that such plan or a modification—

(A) provides for energy conservation;

(B) encourages the use of renewable resources through technologies which are commercially available; and

(C) complies with the requirements of this section and is consistent with Federal laws and programs.

(2) A State long-range energy plan shall be approved by the Secretary for a period of 2 years or such other period as the Secretary may determine appropriate for the implementation of such plan.

(3) The Secretary may extend the date by which approval or disapproval is required under paragraph (1) with respect to any particular plan or modification.

(h) REGULATIONS.—The Secretary shall initially prescribe and make effective the regulations required to implement this section not later than 60 days after the date of the enactment of this Act.

SEC. 302. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—There is authorized to be appropriated to the Secretary not to exceed $100,000,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, for purposes of this title.

(b) LIMITATIONS.—(1) Not more than 50 percent of the funds appropriated pursuant to subsection (a) for any fiscal year and expended for work performed for the Secretary may be expended for work performed by contract.

(2) If so specified in an appropriation Act, any amount appropriated pursuant to this title may remain available without fiscal year limitation.

(3) Any authority under this title to enter into a contract, commitment, grant agreement, or other agreement obligating the United States to make outlays pursuant to this title may be exercised only to such extent as may be provided in advance in appropriation Acts.

SEC. 303. ALLOCATION OF GRANTS.

(a) ALLOCATION.—The Secretary shall allocate the sums available for financial assistance under this title among the States in any fiscal year in the following manner:

(1) 75 percent shall be allocated on the basis of the resident population of the States; and

(2) 25 percent shall be allocated equally among the States.

(b) REALLOCATION.—Funds allocated under this title to any State for a fiscal year but not obligated by the Secretary in that fiscal year may at the option of the Secretary be reallocated among the States for the following fiscal year.

SEC. 304. GENERAL PROVISIONS REGARDING GRANTS.

(a) TECHNICAL ASSISTANCE.—Upon request, the Secretary may provide, subject to the availability of personnel and funds, information and technical assistance (including model laws and model State energy plans) to States for purposes of aiding such States in applying for grants under this title and in preparing, modifying, administering, and implementing State energy plans for which grants are provided under this title.

(b) RECORDS.—(1) The Secretary shall require all States receiving grants under this title to keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the respective portions of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audits, evaluation examination to any books, documents, papers, and records of such receipts which in the opinion of the Secretary or the Comptroller General may be related or pertinent to such grant.

(c) EXCLUSION OF RESEARCH AND DEVELOPMENT FUNDING.—Nothing in this title shall be construed to authorize funds for research or development purposes.

Amend the title so as to read:

A bill to provide financial assistance for the establishment and implementation of energy plans by units of local government, and for other purposes.

PURPOSE AND SUMMARY OF THE BILL

The purpose of this legislation is to:

(1) encourage the conservation of energy and the use of renewable energy resources by providing financial assistance for the

establishment and implementation of energy plans by units of local government;

(2) provide for the coordination and consolidation of existing Federally-assisted State energy programs; and

(3) encourage energy conservation and the use of renewable energy resources by providing financial assistance for the establishment of long-range State energy plans.

Background and Need

Introduction

The record before the Committee reveals unanimity among all witnesses as to the need for a major Federal effort to encourage effective conservation of energy and increased use of renewable resources.

The Nation is currently consuming 6.6 billion barrels of oil annually, 45 percent of which is imported. This reliance upon foreign oil not only jeopardizes United States security, it is generally recognized as a major contributor to inflation in the United States. Since January, 1979, the price of oil imported from OPEC nations, 30 percent of the oil consumed in the United States, has increased by over 100 percent and now accounts directly for almost $100 billion annually almost twice the size of the United States balance of trade deficit. By increasing the cost of United States products this indirectly accounts for a substantially greater share of the deficit.

The current national goal of producing 2 million barrels of synthetic fuel daily by 1990, while desirable and necessary, will not reduce United States dependence upon OPEC oil by enough to assure United States security or to significantly reduce the inflationary effects of current prices or future increases. The evidence before the Committee clearly indicated that conservation of energy and increased use of renewable energy resources can make a significant contribution toward achieving these goals.

Testifying before the Committee, the Honorable John G. Hutchinson, Mayor, City of Charlestown, West Virginia, and Chairman of the Energy and Environment Committee of the U.S. Conference of Mayors, cited the assertion of the recent report of the Harvard Business School, *Energy Future*, that conservation could save the energy equivalent of 4.4 million barrels of oil per day by 1990.

Thus, if the United States were to achieve the 2 million barrel per day goal of the synthetic fuel program and the 4.4 million barrel per day goal of the conservation program, energy consumption could be reduced by the equivalent of 6.4 million barrels per day in just 10 years. Congressman Donald Pease of Ohio noted that the 4.4 million barrel per day savings by 1990 would, at today's prices, "result in a net savings of $230 billion to the American economy". Evidence before the Committee indicates that if conservation is construed to include increased use of renewable resources, the savings could be substantially larger.

Although there were differences in emphasis, there was general unanimity among witnesses as to the requirements of an effective program to encourage energy conservation and the increased use of renewables.

FEDERAL-LOCAL PROGRAMS

The program should include substantial Federal assistance for planning and implementation for units of local government. The Honorable James Conway, Mayor of St. Louis, Missouri, and Second Vice President of the National League of Cities said:

> We strongly support a program that establishes direct Federal, local relationship in the development and implementation of energy conservation and renewable resource development strategies.

The Honorable John G. Hutchinson explained:

> * * * [T]here can be no substitute—none—for direct Federal-city relationship in energy conservation and development. The States can help, and we hope they will, and we believe we can be helpful to the States in development of their State plans, but the size of the job, the need to move resources quickly, and apply them where people live, makes a direct Federal-city partnership of sufficient scale the essential element in our moving forward in the energy area.

Joan Shorey, representing the Solar Lobby added:

> * * * [W]e urge you either to expand the provisions of H.R. 4382 to substantially support local planning or to back community management legislation. In either case there must be provisions to assure that funds get to local governments and the community groups. In either case, funding for community level planning and programming should go directly to the local government, not indirectly through the States.

Although he preferred to have the States play a major role in allocation of the funds, even Lex Hester, Director of the State Energy Office of the State of Florida and spokesman for the National Governors' Association said:

> Our first recommendation deals with the role of local governments. Although there are a number of proposals dealing with these issues, we strongly urge that any local government program be made an integral part of EMPA.

The Committee received abundant evidence as to the potential that units of local government have to plan and implement programs to conserve energy and to increase the use of renewables.

The Honorable Harvey Ruvin, Commissioner Dade County, Florida, speaking on behalf of the National Association of Counties, reported:

> Local governments are sources of innovation. Communities in New England are looking at the many small dams in the region as a source of hydro-electric power. In addition, the region is using a readily available renewable resource, wood, on a growing scale to supplement or supplant heating oil and other conventional heating fuels. Dade County, Florida, is building the world's largest resource recovery/energy from solid waste plant and has implemented a comprehensive energy plan which will save the County $7 million a year

when in full operation. Los Angeles County, California, is extracting methane gas from its landfills and has installed a computerized system for controlling heating, ventilating and air-conditioning in its buildings. And, Oakland, Michigan has developed a comprehensive energy plan and is looking at ways to encourage district heating in the County.

Mr. Hutchinson submitted a report on the actions of 20 units of local government demonstrating the breadth of innovative potential at the local level:

REPRESENTATIVE LOCAL GOVERNMENT ENERGY PLANS

ALBUQUERQUE, N. MEX.

As part of its community energy conservation program, the city of Albuquerque has a 15 member citizens committee appointed by the Mayor to advise him on all energy related issues. This committee has developed an 11 point plan for energy conservation, which will serve as the blueprint for an information program to city residents. In line with this program, the city has designated a display trailer to be used at public schools, which identifies a number of ways to conserve energy.

In other energy programs, Albuquerque is working on an evaluation of zoning ordinances to ensure solar access. It has also established a land-use policy to discourage additional sprawl by filling in those areas of the city not yet developed. The city has also been encouraging the use of low technology solar heating systems, and has two solar heated buildings, one with a payback period on the system of 4 months, the other with a payback of less than 4 years.

ANN ARBOR, MICH.

The city of Ann Arbor has established an Energy Advisory Group composed of several employees of city departments, which provides technical and planning support to the energy coordinator for all city energy programs. The energy staff is now conducting building audits. Future programs will center around energy management for existing buildings, vehicle fleet, street lighting, employee awareness and information dissemination, and general contingency plans to deal with energy supply shortages.

Preliminary energy audits in 43 city-owned facilities are complete with summaries of energy systems consumption of fuel and electricity for the past year, energy systems capacity, and building structure characteristics and occupancy factors.

A total energy plan for existing city facilities has been prepared for the Mayor, City Council, City Administrator, and Department of Management Personnel. An energy management program has started to identify and classify all no-cost and minimal cost operations and maintenance changes

which have the potential to save a minimum of 20 percent of building energy consumed.

ATLANTA, GA.

The City of Atlanta recently adopted a comprehensive energy management plan called Program for Atlanta to Conserve Energy (PACE). The policy and programs are designed to reduce energy consumption in all city government operations and facilities, and are expected to result in significant savings for the city, both in energy and dollars.

The PACE program commits the city to efficient energy usage throughout its government functions. The policy specifies that the City will set informal energy consumption goals, purchase energy efficient equipment and materials, use the most current energy conservation techniques, maintain and operate city buildings to consume minimum amounts of energy, conduct energy audits of all city buildings, promote solid waste energy conservation systems, and pursue innovative use of alternative technologies.

Atlanta is sponsoring community awareness programs throughout the school system and through neighborhood planning units. In addition the city is working with the Georgia Power Company in conducting energy audits in city buildings and holding energy conservation seminars for city employees.

BALTIMORE, MD.

The city of Baltimore is already well known for its innovative approaches to energy conservation. In 1977, the Baltimore city school system was ranked as one of the leaders in energy conservation in Maryland. Since then, Baltimore schools have embarked on a further program of policy enforcement and equipment modification, which has resulted in a 6 percent ($300–400,000) reduction in energy costs in fiscal 1978. An 18–20 percent reduction ($1,500,000) in energy usage is projected for fiscal 1979, based on data for the first nine months of the year.

Baltimore operates the first commercial scale waste-to-energy pyrolysis system which converts municipal solid waste to a low BTU gaseous fuel, with process steam sold to a Baltimore Gas and Electric Company district heating facility. A four-week test run processing 600–650 tons per day resulted in a daily average income of $4,300 from the sale of steam. The city is now considering the recovery of methane from existing landfills, and is in the data-collecting stage.

BIRMINGHAM, ALA.

In response to the energy crisis, the city of Birmingham established an energy committee with the task of developing methods to reduce energy consumption in city services and the community by 15–20%. The group is made up of 9 members of the community. At present the city is attempting

to upgrade the building code to include energy conservation techniques. Also, in conjunction with the Regional Planning Association, the city has established an ongoing vanpool and carpool program, and is working on a computer match system for citizens interested in carpooling. The main focus of the citizens energy committee is to adopt a more energy efficient policy for city buildings.

BOISE, IDAHO

The most vital energy conservation program in Boise is the planned geothermal development in the city. The City of Boise's program to harness geothermal energy will heat eighteen city, state, Federal and private buildings, eight square blocks of an urban renewal area (the new Downtown Mall), and the campus of Boise State University. Heating a total of two million square feet of building space, the system will reduce fuel costs by 25 percent and save the equivalent of 20,000 barrels of oil per year. A parallel program administered by Warm Springs Hot Water District will develop a separate geothermal heating system for residential areas. The total program costs will be $15 million.

Boise has two citizens' energy committees with about 75 members each, set up in conjunction with geothermal development and the Downtown Mall. One group focuses on transportation issues; the other on alternative energy sources, including conservation measures. The committees are very active, and meeting attendance is high.

In addition to the downtown geothermal program, Boise operates a carpool and vanpool matching system. Participants to date include five major corporations, and city, county, state and federal employees.

The downtown development has provided Boise citizens with a unique opportunity to learn about not only geothermal energy, but other energy conservation measures and alternative energy sources as well. The high interest in the community is reflected in the information requests to the city libraries, state library, and the city Geothermal Office. The city plans to produce a documentary movie about geothermal energy to serve as an educational and publicity tool for the general public, local government and private business.

CLEARWATER, FLA.

The city of Clearwater, Fla., began energy conservation efforts in 1975, focusing on two major consumption areas—city vehicles and street lighting. By 1977 the vehicle fleet program resulted in a 31 percent increase in fleet miles per gallon, saving 175,000 gallons of fuel ($80,000).

These programs were brought under centralized control with the creation of a city Energy Office in 1977. The Office set as its goal, reduction "... of the city's energy consumption by 25 percent without compromising the safety or health of the public or the efficiency of the city's employees." Program

results include an estimated savings of $150,000 per year from the building retrofit and efficiency program—a reduction of 3 million kilowat hours per year. The home energy audit program has been discontinued due to the loss of CETA workers who performed the audits, but during the program, 750 homes were audited. These homes averaged a use of 2000 kilowatt hours per month prior to audits, and reduced use by 15 percent as a result of audit improvements. A plan to convert to high pressure sodium streetlights is estimated to save another 3 million kilowatt hours per year.

DAYTON, OHIO

The city of Dayton has been actively involved in a community energy conservation effort since 1977. Dayton is one of 17 local governments in the United States chosen to participate in the Comprehensive Community Energy Management Program (CCEMP) sponsored by DOE. This program is designed to help local communities identify, evaluate and implement energy conservation methods and to manage local energy supply and use.

As a result of the CCEMP grant, Dayton was able to formulate a citizens committee of 22 members from all walks of life. The committee is subdivided into a steering committee and an action committee which discuss energy policy actions for both private and public groups, and will play a key role in the development of a comprehensive, long term energy policy.

There are two basic components of the program: energy auditing and projecting consumption levels for both public and private consumption up to the year 1985 to determine supplies and to prevent shortfalls.

In addition, the city of Dayton in conjunction with its congresssional representative has established energy workshop seminars to discuss nut and bolts techniques of energy conservation for citizens. Also, the city has a mini-computer to centralize lighting in municipal buildings and schools.

DENVER, COLO.

The city of Denver is developing an overall comprehensive plan for city energy use. This plan when implemented will address the energy impact of all facets of city planning including zoning and land use. This plan also will address the development of a citizens advisory committee on energy. At present the city has an in-house energy committee, which is developing a plan for cutting back city government energy usage by 10 percent within each department. The city also has developed an extensive van pool program and is cooperating with the state government on a computer match system for citizens interested in carpooling.

GREENSBORO, N.C.

The city of Greensboro operates an employer-based carpooling system, which was initiated in November, 1977. Beginning with municipal employees, the program has now expanded to include major city businesses. In March, 1979, the city contacted the area's top 24 companies. So far, 17 of n-panies have responded positively, with a range of from % to 69% of their employees expressing interest in participe ng in the program. Twelve of these companies are now carpooling, while the remainder are completing the computer matching process. These companies employ from 500 to 5,000 employees each. The city plans in the future to include smaller employers in the program, as well as employment centers such as the downtown area.

In 1977, the city initiated one of the nation's most effective home audit programs. City firefighters, already familiar with home construction, were trained by the local utility to conduct residential energy audits. Such an approach ensures much higher acceptance by homeowners without any diminution in fire protection of greatly increased cost to the taxpayer. The firemen collect the raw data, have it analyzed by the city's utility staff to determine what energy conservation measures are called for, and return in two to three weeks with the results of the analysis. Homeowners are also provided with a "how-to" booklet on energy conservation prepared by the city and a flier from the Greensboro Jaycees explaining the civic group's insulation assistance fund for those who cannot afford to have the work done themselves. To date, 14,000 homeowners have been contacted, and 12% have accepted.

HARTFORD, CONN.

The city of Hartford has developed a comprehensive approach that touches all levels of municipal policy, including zoning, land use, transportation, economic development, and education.

Hartford established a citizens energy corporation hire and train unemployed city residents to retrofit existing structures (both city owned and private). In addition to the energy corporation, the city has set aside funds to create a community based economic development corporation that will manufacture and install solar energy collectors. Once the programs are in place, the city expects to provide between 200 and 225 jobs for city residents. This effort will produce an added benefit of helping city residents lower their energy consumption and costs.

Also, the city is involved in an effort to minimize automobile traffic downtown. It is considering the feasibility of closing a series of streets to cars. Only pedestrians, buses, and emergency vehicles would have access to these streets. Hartford also has had much support for its park and ride programs, designed to offer cheaper and faster public transportation than the automobile.

KANSAS CITY, MO.

Involvement of Kansas City citizens in energy conservation programs began in 1974 with "Operation Button-Up". During its two years of operation, the program was responsible for circulation of more than two million mail inserts with utility bills, development of a lecture kit and speakers bureau, production of several radio and television public service announcements, work with the Kansas City Star on a special energy edition, development of a fall home tour featuring energy conservation, placement of several articles in regional magazines on the benefits of energy conservation, and creation of a Button-Up kit that enabled homeowners to assess their own needs for home energy conservation.

Operation Button-Up has been followed up by several other programs directed to homeowners—the home weatherization program and two energy demonstration and conservation homes. The weatherization program improved over 1,395 homes by July, 1979, with an average investment of $450 per home. The program evaluation shows that average fuel consumption has decreased by 21.95%, the average dollar savings per house is $71.61, and the average return on investment is 4.9 years. The demonstration homes are two older houses that have been retrofitted with energy saving appliances, insulation and other energy conservation measures to provide the public with testing of conservation features, training in "how-to" measures, and examples of the savings possible using energy conserving measures.

Kansas City also has an extremely successful carpool and vanpool program. A carpool matching program begun in 1974 elicited interest from one-quarter of the city employees. Vanpools were added in 1978. Five vans are operating at present. Also in 1978, a ride-sharing grant from the Department of Energy enabled the city to expand the vanpool matching program to area corporations.

LOS ANGELES, CALIF.

During the 1972–73 embargo, Los Angeles cut overall energy consumption by 20 percent under a voluntary cutback program. City conservation programs have since been enhanced. Monthly electrical consumption reports show some departments have decreased usage to under the rates during 1972–1973.

In 1978 and 1979, the Airport cut energy use to 7.5 percent below embargo rates. The Water and Power department was 15.8 percent below, and the Harbor department was 52.8 percent below. Other departments added new buildings but increased usage to only 6.2 percent above embargo rates.

Vehicle fuels consumption for the first nine months of fiscal year 1979 is five percent below the rate for the previous 11 months. Twenty-six vehicles are using gasohol, and the city is seeking to expand this program. Three buildings are to be dedicated shortly, all using solar systems: a firehouse (to be

the prototype for all future Los Angeles firehouses); an office building; and a demonstration single family house.

LOUISVILLE, KY.

The City of Louisville has set itself the goal of reducing energy consumption by 6.8 percent by 1981 over the base year of 1976. Efforts to reach this goal include transportation programs and information programs.

Transportation programs include a 50 percent subsidy of mass transit fares by city employees, free parking lots for city employee carpools, and an innovative city bus system. The bus system includes double-deck buses to increase passenger miles per gallon. Ridership is up an estimated 18 percent over last year.

Louisville participates actively in the Jefferson County Energy Commission. The Energy Commission provides community residents with energy conservation information. Recent projects include a survey of local businesses to determine which had undertaken exemplary energy conservation measures. A list of those local businesses which have implemented energy conservation measures was distributed to citizens, along with estimates of energy savings. Awards were given for the most outstanding efforts. The Jefferson County Energy Commission also prepared a brochure listing all energy-related businesses (e.g., insulation sales and installation, solar products and installation), which has been distributed to the public. Other publicity efforts include an audiovisual program shown to several thousand people each year, radio and television talk shows on energy, and an energy seminar co-sponsored by Indiana University.

METROPOLITAN MIAMI/DADE COUNTY, FLA.

Energy conservation efforts in Metropolitan Miami/Dade County, Fla., began in 1973–1974 in response to the gasoline crisis. The most significant program developed at that time was a gas rationing program, which remains in effect today. Under the program, coupled with increased maintenance and a switch to smaller city fleet cars, the city vehicle fleet gasoline consumption in 1978 was 37 percent lower than in 1972. A Comprehensive Energy Management Program (CEMP) was adopted in December, 1977, and the Dade County Planning Department developed a report, "Energy Conservation: Proposed Goals and Policies," for review by the Board of County Commissioners in July, 1979. The payoff for major planning efforts in Dade County comes in the form of electricity and gasoline consumption savings, as these are the two primary energy sources. In 1976 Dade County consumed about one-half a billion kilowatt hours of electricity. The conservation program put into effect in 1977 is estimated to have saved one hundred and thirty million kilowatts that year. This savings converts to 216,607 barrels of crude oil, or $2.8 million at the 1977 prices.

NEW ORLEANS, LA.

New Orleans began a moderately successful Energy Conservation Program in 1973. An Energy Management Program was subsequently mandated in 1978, and a Citizens' Committee for Energy Management was formed to assist in the planning for the Management Program. The City Energy Management Task Force has proposed a board program that would encompass such areas as conservation, alternative energy sources, development of local unconventional energy sources (such as geopressurized natural gas), and such administrative policy areas as zoning and building codes and rate restructuring. The City of New Orleans has a municipal utility, New Orleans Public Service, Inc. (NOPSI), which can provide the kind of support for municipal energy management experienced by other cities with municipal utilities such as Seattle and Portland. NOPSI now provides the bulk of information on energy conservation distributed to New Orleans citizens, and offers a home audit service.

OAKLAND, CALIF.

The city of Oakland, Calif. operates a wide-ranging energy conservation program, including a centralized maintenance facility for fire and police vehicles, a passive solar design for a new recreation center, exploring cogeneration, and using more open windows rather than air conditioning in city buildings. The most significant program is the retrofit of city street lights. The program involves converting the 23,563 lights in Oakland's system to high-pressure sodium vapor lamps from mercury-vapor lamps. While maintaining lighting levels in accordance with recommended standards, the new system will use 55 percent less electricity than the old (which comprised 70 percent of city electrical expenditures).

The total conversion to this new lighting technology will reduce the annual cost of the service 75 percent—from $2,040,000 to $503,000 per year. This is a savings of 17 million kilowatts per year.

PORTLAND, OREG.

The city of Portland has just passed a comprehensive city energy plan with a goal of decreasing energy use throughout the city by 30 percent by 1995. The projected savings from this reduction for the city and its residents is about $126 million a year based on current prices. The program itself was developed through a citizen energy policy committee composed of representatives from business, labor, industry, government and neighborhood groups. The city also developed information and education programs to notify citizens of the plan. Newspapers, radio and television were used for this outreach program, as well as a series of 35 briefing sessions throughout the city with neighborhood business, industry and others. This comprehensive plan will cover all areas of city planning which might impact on energy.

Besides this comprehensive city plan, Portland has a number of energy programs already in place. Life-cycle costing has been made a consideration in all purchasing decisions by the city government. Half of one-percent of the city's general funds and other special funds have been set aside for energy conservation investments—which currently yields about $700,000 a year for energy conservation projects on the part of city departments, such as better building insulation and a heat recovery unit for the city paint shop.

ROCKVILLE, MD.

The City of Rockville's city-wide energy conservation efforts have been supported by an Energy Advisory Committee which draws upon the pool of technical expertise available in the city. The Committee provides advice on all energy plans and proposals such as the consideration of methane recovery from city landfill sites and purchase of dual fuel cars for the city fleet.

The Rockville Energy Office operates an energy information center to respond to citizen inquiries as well as producing a newsletter column, a slide show on home energy conservation, and seminars for residents and local businesses. The office held an Energy Fair to coincide with Sun-Day to promote energy activities. Programs offered by the city include weatherization of low-income homes and home energy audits conducted by the local utility. The office is working in cooperation with the County on a vanpool program.

Current projects include an evaluation of energy conservation measures to be incorporated in the redevelopment of the town center, solar heating for city swimming pools, and development of a solar access zoning code. Present building codes are written to incorporate energy conservation measures in new buildings.

SAN ANTONIO, TEX.

The city of San Antonio is developing mechanisms for coping with energy issues as a whole. A Comprehensive Residential Management Program (CRMP) is being drafted to include not only energy conservation and alternative energy sources, but solid waste disposal possibilities such as refuse-derived fuel and wastewater management issues. A proposal has been sent to the Department of Energy for support of a complete revision of building and zoning codes to encourage energy conservation and alternative energy sources through siting, solar access zoning, etc. Under this proposal, a citizens' energy commission would be instituted with the assistance of the local university.

A major community energy education program is conducted by the city utility. In addition to supply information, the utility conducts audits of residences and commercial buildings.

The City provides a carpool computer matching service, and is adding a vanpool service as well. City employees receive subsidies for bus commute fares.

SEATTLE, WASH.

The city of Seattle is in the process of implementing perhaps one of the most advanced energy building codes in the country. This code is expected to result in an overall reduction in projected electricity usage of about 3 percent by 1990. A citizens advisory committee on energy usage has responsibility for recommendations to the city in energy management and planning. Seattle's municipal utility has a citizens advisory group as well. In light of possible heating oil shortages this winter, Seattle is in the process of developing contingency plans for actions the city can take to help residents affected by shortages and high prices of heating supplies.

Seattle also has developed a number of other innovative programs in the area of energy conservation and alternative technologies. For example, the city is leasing solar equipment to the community through the municipal utility. There also are many other solar incentive programs and demonstrations. The city has developed a free ride zone in the downtown area to encourage residents not to bring their cars into the area.

ST. PAUL, MINN.

The city of St. Paul, Minnesota coordinates energy conservation efforts through a strong system of district councils—seventeen "mini-city halls"—which review and comment on all city functions such as licensing and zoning. The city has recently applied for a Department of Energy grant to revise the building and zoning codes to encourage increased energy conservation. The designation of appropriate lots for underground or solar construction now is conducted with the assistance of the district councils. The councils distribute energy conservation information, such as the results of the infrared thermography flyover conducted in 1977 to demonstrate the sources of heat loss in residential and commercial buildings in St. Paul. One of the district councils will be holding an Energy Fair this October, which will provide information on energy conservation and alternative energy sources. It will provide exhibitors a place to display and demonstrate energy conservation products.

The city has been encouraging energy conservation through several other means, including a vanpool program which is working through employers. The 3M corporation offered the first of these company-sponsored vanpool programs in 1978, which has grown to 100 vans serving more than 1,000 of the company's 10,000 employees. The city plans to complement the existing vanpool programs with a downtown shuttle which will ferry passengers from fringe parking lots to downtown work and shopping areas. The mayor rides the bus once a week as an example.

These communities were exceptional only in that they had the resources to carry out planning and implementation programs, unlike the vast preponderance of other units of local government in the United States today.

CONSOLIDATION OF EXISTING FEDERAL-STATE PROGRAMS

There was also general agreement among the witnesses as to the need to coordinate existing programs of Federal assistance to the States to allow for single applications, single reports, and consolidation of filing dates, bookkeeping and record keeping, generally, and on the need to make funds available to enable the States to carry out their responsibilities under the Emergency Energy Conservation Act of 1979 (42 U.S.C. 8512).

STATE LONG-RANGE PROGRAMS

There was general unanimity that Federal assistance to the States for programs relating to energy should be flexible enough to allow the States to meet their individual needs and take maximum advantage of their individual needs.

It is the conviction of the Committee that S. 1280, as reported, accomplishes all of these goals.

COMMITTEE COST ESTIMATE

In compliance with clause 7(a) of Rule XIII of the Rules of the House of Representatives, the following statement is made regarding the cost of this legislation:

Fiscal year:	Millions
1982	$240
1983	240
1984	240
1985	---
1986	---

The Committee has not received an estimate of such costs from a government agency.

REPORT FROM THE CONGRESSIONAL BUDGET OFFICE

Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 1280, the Community and State Energy Planning Assistance Act of 1980.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 1280.
2. Bill title: Community and State Energy Planning Assistance Act of 1980.
3. Bill status: As ordered reported by the House Committee on Interstate and Foreign Commerce, August 28, 1980.
4. Bill purpose: Title I of the bill establishes a grant program for the development and implementation of energy conservation plans by

local governments. Plans must include measures to encourage the use of renewable resources, to conserve energy in local government buildings, and to coordinate with other state and federal conservation programs. Assistance to local governments to implement approved conservation plans is contingent on commitments to continue implementation after the expiration of federal aid and on the availability of additional funds to carry out the proposed activities. Title II of the bill provides for the consolidation of applications for financial assistance for state energy programs. Title III establishes a grant program to assist states in developing and administering long-range energy plans. The plan must contain a five-year projection of the state's energy supply and demand, a description of energy conservation objectives, and proposals for programs to achieve conservation and renewable source use goals.

For the local government grant program, the bill authorizes the appropriation of an amount not to exceed $420 million for the three-year period between fiscal years 1982 and 1984. In addition, the bill authorizes $100 million for each of fiscal years 1982, 1983, and 1984 for state long-range energy planning.

5. Cost estimate:

	Millions
Estimated authorization level:	
Fiscal year:	
1981	----
1982	$240
1983	240
1984	240
1985	----
Estimated outlays:	
Fiscal year:	
1981	----
1982	45
1983	195
1984	240
1985	195

In addition to the amounts authorized in the bill, it is expected that preparation for implementation of the bill will cost DOE approximately $300,000 in fiscal year 1981. In addition to the outlays shown in the above table, it is estimated that $45 million will be spent in fiscal year 1986.

The costs of this bill fall within budget function 270.

6. Basis of estimate: For the purpose of this estimate, it is assumed that the $420 million authorized for the local government grant programs for the three-year period between fiscal years 1982 and 1984 will be appropriated in equal amounts for each of the three years. The estimate also assumes that the funds authorized to be appropriated for state conservation planning for fiscal years 1982, 1983, and 1984 will be appropriated by the start of each fiscal year.

The outlay estimate for the local government grant program is based on the historic spending pattern for energy conservation grant programs in the Department of Energy. Because of the time required to prepare and process grant applications and to identify funding sources necessary to meet the matching requirements, it is expected that outlays in fiscal year 1982 will be relatively small. Outlays are expected to be approximately $15 million in fiscal year 1982, $105 million in

fiscal year 1983, $140 million in fiscal 1984 and $125 million in fiscal year 1985. The remainder, $35 million, is expected to be spent in fiscal year 1986.

The outlay estimate for long-range planning grants to states is based on information from the Department of Energy about similar state energy programs. Since the bill requires that applications for federal aid be submitted within six months after the appropriation of funds and that plans be completed within nine months of the grant awards, outlays from each year's appropriation are expected to occur primarily in a two-year period. Outlays for this program are estimated to be $30 million in fiscal year 1982, $90 million in fiscal year 1983, $100 million in fiscal year 1984, and $70 million in fiscal year 1985. The remainder, $10 million, will be spent in fiscal year 1986.

7. Estimate comparison: None.

8. Previous CBO estimate: On May 23, 1980, CBO transmitted a cost estimate for S. 1280, the Energy Management Partnership Act, a related bill ordered reported on May 15, 1980 by the Senate Committee on Energy and Natural Resources. Unlike the House bill, the Senate version provides funds to continue existing programs as well as to establish new state and local conservation initiatives. The total authorization level for the Senate bill was estimated to be $525 million for fiscal years 1981 through 1983. The House bill specifies a total authorization level of $720 million for fiscal years 1982 through 1984.

9. Estimate prepared by: Linda Alperin.

10. Estimate approved by:

C. G. Nuckols

(For James L. Blum, Assistant Director for Budget Analysis).

Committee Consideration

The bill, S. 1280, was passed by the Senate on July 25, 1980, and was referred to the Committee on Interstate and Foreign Commerce and the Committee on Science and Technology on July 29, 1980. It represented a very substantial revision of the programs proposed by the Administration under H.R. 13420, in the 95th Congress, and H.R. 4382, introduced in the 96th Congress by Mr. Staggers and Mr. Fuqua, by request, on June 7, 1980, and a number of related proposals.

The Subcommittee on Energy and Power and the Subcommittee on Energy Development and Applications, of the Committee on Science and Technology, held joint hearings on H.R. 4382 and related legislative proposals on October 31, 1979, and on February 10, 1980. It received testimony from fifteen witnesses, including Senator Paul Tsongas and Representatives Donald Pease, Elizabeth Holtzman and Les AuCoin. Dr. Maxine Savitz, Acting Assistant Secretary for Conservation, Solar and Energy, testified for the Department of Energy, accompanied by J. Michael Power, Director, Office of Policy, Planning and Evaluation; Thomas D. Tatum, Director, Institutional Liaison and Communications; and Judith M. Liersch, Director of the Energy Extension Service. The Subcommittees also heard from representatives of the National Governors' Association, the National League of Cities, the U.S. Conference of Mayors and the Solar Lobby. The non-Federal witnesses included two Mayors, the Honorable John Hutchinson of Charlestown, West Virginia, and the Honorable James

Conway of St. Louis, Missouri; City of Long Beach City Council Member, Marc Wilder; Special Asssistant for Energy, City of New York, Robert Hertzog; and the Chairman of the Energy Policy Committee on the National Association of Counties, Mr. Harvey Ruvin.

A clean bill, H.R. 7945, was introduced on August 19, 1980, by Mr. Staggers (for himself, Mr. Dingell, Mr. Ottinger, Mr. Moffett, Mr. Wirth, Mr. Markey, Mr. Swift, Mr. Maguire, Mr. Gore and Mr. Leland) and was referred to the Committee on Interstate and Foreign Commerce and, thereafter, to the Subcommittee on Energy and Power. H.R. 7945 represented revisions of the programs proposed in H.R. 4382, revisions designed to reflect the improvements suggested by witnesses in the hearing record.

The Subcommittee met in open markup session on H.R. 7945 on August 20 and 22, 1980. It adopted four amendments with respect to (1) the definition of "energy conservation", (2) the topics that may be included in a local energy plan, and (3) the period of time provided for the opportunity for oral or written comment upon an application for a grant for the preparation of a local energy plan. Three amendments were defeated and one was withdrawn.

On May 28th, the Committee met in open markup on the bill. One amendment, *en bloc*, with respect to the special needs of small communities and recognized bodies of Indian tribes was adopted. One amendment was withdrawn.

H.R. 7945 was then approved by the Committee by a voice vote, a quorum of the Committee being present. Thereafter the bill, S. 1280, was called up, approved by the Committee by voice vote, and a motion to strike all after the enacting clause and insert in lieu thereof the text of the bill, H.R. 7945, was approved and the bill was ordered reported to the House by a voice vote, a quorum of the Committee being present.

Report of the Committee on Government Operations

Pursuant to clause 2(b) of Rule X of the Rules of the House of Representatives, the Committee states that no report has been received from the Committee on Government Operations regarding oversight findings and recommendations with respect to matters covered in this bill. During this Congress, the Subcommittee on Energy and Power has conducted numerous hearings dealing with various aspects of State energy efforts and one day of hearings dealing with energy conservation efforts of local communities.

The Subcommittee on Oversight and Investigations of the Committee has conducted no oversight investigations into matters covered by this bill.

Agency Views

At the time the bill was ordered reported, the Committee had not received the views of any Government Department or Agency.

Effect of the Legislation on Inflation

Pursuant to clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee makes the following statement with regard to the inflationary impact of the reported Bill:

The legislation authorizes assistance for local and State efforts to encourage the conservation of energy and the use of renewable energy resources. The effect of expenditures made under the Bill will be to reduce energy consumption, and the Committee has stated its intent that priority be given to programs that will result in the greatest energy savings for the amount of money invested, as well as to programs that will result in a reduction in the consumption of oil. Since the consumption of oil, and most particularly the consumption of imported oil, is generally acknowledged to be a major contributor to recent unacceptably high rates of inflation, the Committee projects that the long-range effect of the Bill will be significant reduction in one major inflationary pressure upon our economy.

This is supported by experience with the Schools and Hospitals program authorized by title III of EPCA, upon which this legislation is modeled. The Department of Energy has reported savings of the equivalent of 39,000 barrels of oil each year for each $1 million invested in the program. These annual savings are not one-shot deals, but are continued throughout the years and are added to as the program reaches additional buildings. Experience with this program to date shows that the total Federal and non-Federal expenditures under the Schools and Hospitals program will be repaid in toto in three years with the result that the reductions in expenditures for energy by buildings that have utilized the program will have a cumulative and continuing anti-inflationary impact on our economy thereafter.

Finally, the legislation, without authorizing additional expenditures, permits the consolidation and coordination of existing Federally-financed State energy planning and implementation programs and provides for the use of existing funds to administer State emergency conservation programs under Section 212 of the Emergency Energy Conservation Act of 1979 (42 U.S.C. 8512). The effect of these two provisions is expected to result in considerable savings to the States through improved efficiency and direct reduction in expenditures.

The Committee expects that, while the implementation of the assistance programs under titles I and III may have some small inflationary impact in the first year of operation (1982), this will be more than offset by the reductions in consumption of imported oil and the other savings that will result from reduced energy consumption and increased use of renewable energy resources, in general. It also expects that this anti-inflationary effect will be cumulative over the years that the program is funded and will be permanent.

Section-By-Section Analysis of S. 1280

Section 1 provides that the Act may be called the "Community and State Energy Assistance Planning Act of 1980" and sets forth the Table of Contents of the Act.

Section 2 sets forth the definitions of terms used in the Act. The Committee defined "conservation" as meaning "a reduction of inefficient energy use or an increase in the efficiency of energy use." With this novel definition it is the Committee's intent to encourage reduction in energy consumption but not to such an extent as to cause unnecessary inconvenience or discomfort to individuals for whose benefit the energy is being consumed. Thus, for example, the Committee

recognizes that many buildings use energy for illumination far in excess of any reasonable need. The definition should be interpreted to encourage reduction in energy consumption, such as illumination in such buildings, but not to the degree that would cause unnecessary inconvenience or discomfort to the average user of the facility.

TITLE I—COMMUNITY PLANNING ASSISTANCE

The title authorizes the Secretary of Energy (Secretary) to make grants to units of local government to assist in local community energy planning and to implement community energy plans.

Section 101. Grants to Assist Local Community Energy Planning

Subsection (a) authorizes the Secretary to commit to make, and to make, a grant to applicants for the costs of preparing a local energy plan.

Subsection (b) specifies that for the purpose of the section a local energy plan is a plan adopted by a unit of local government or a combination of such units which, when implemented, will provide for energy conservation, encourage the use of renewable resources through technologies which are commercially available, or result in a combination of such conservation and such encouragement. The section also requires that each local energy plan shall include recommendations for conservation of energy in buildings owned by any unit of local government covered by the plan and provide for coordination with Federal and State energy use and conservation programs, activities and objectives. In adopting this provision regarding coordination the Committee intended that the Secretary should construe the requirement that the plan be "coordinated with * * * State energy use and conservation programs, activities and objectives" to mean that if a Governor of a State within the jurisdiction of which an applicant falls, after reviewing the plan submitted to such Governor pursuant to subsection (d)(3), identifies a State program, activity objective of the State with which the local energy plan is inconsistent and the Secretary finds that such a program, activity or objective exists and that the proposed plan is inconsistent with it, the Secretary shall not approve the plan until such time as the proposed plan or the State program, activity or objective, has been modified to remove the inconsistency.

By adopting language requiring that each local energy plan shall "include recommendations for conservation of energy used in buildings owned by any unit of local government covered by the plan as well as energy used in vehicle fleet and equipment operation, street and building lighting, traffic management, heating and cooling and other municipal services and activities," the Committee was only listing some typical areas within the jurisdiction of local units of government which should be considered in preparing a plan. The list is not intended to be exhaustive nor is it to be construed as limiting local energy plans to governmental functions. Quite the contrary, the Committee intends that plans should include any activity under the jurisdiction of a unit of local government and even consider activities not currently under such jurisdiction where conservation or increased use of renewable resources could be encouraged or achieved by bringing such activity under such jurisdiction.

Subsection (c) specifies that the amount of a grant under the section shall not exceed 80 percent of the reasonable costs paid or incurred by the applicant in preparing a local energy plan and that the amount of Federal assistance available to any applicant under other provisions of Federal law shall be taken into account in determining the amount of any grant made under the section to that applicant. It also requires the Secretary to establish criteria for determining the amount of any grant under the section and specifies that the criteria shall include the population and other relevant characteristics of the applicant.

In adopting the provision requiring account to be taken of assistance available to any applicant under other provisions of Federal law, the Committee intended that this should be used to prevent duplication of Federal funding for an application, or part of an application, but not to prevent coordination or combination with or use of other Federal funds, which will add to an applicant's ability to plan for increased conservation of energy or use of renewable resources, or both.

Subsection (d) specifies that a grant under the section can only be made upon approval by the Secretary of an application containing the information required under subsection (f) of the section. It also requires that an applicant shall provide reasonable notice and opportunity for public comment on any application before such application is submitted to the Secretary and that the applicant will provide a copy of a proposed application to the Governor of the State in which the unit or units of local government covered by the plan are located.

Recognizing that the requirement of formal public hearings sometimes results in unnecessary delay and complication, the Committee did not adopt such a requirement. However, it is the express intent of the Committee that the Secretary affirmatively encourage public hearings and that, unless he finds that such hearings would result in unnecessary complication or delay, he give priority to applications which have been the subject of a public hearing or hearings in some reasonable form.

Subsection (e) provides that no grant may be made under the section unless written notice of the intent to apply for such funds is filed with the Secretary during the 6-month period beginning on the date on which funds are first appropriated for the title and the grant application is filed with the Secretary during the 12-month period after such notice of intent is filed. It also provides that the Secretary may extend the periods for filing any notice of intent or application.

Subsection (f) requires that any application for a grant under the section must include:

(1) a statement of the purposes of the plan for which a grant is sought under the section, including a description of the types of energy use the applicant anticipates will be considered under the plan;

(2) a commitment that upon the development of the plan the applicant will undertake oversight and review of the plan and any activities taken under such plan, together with such assurances as the Secretary considers appropriate that resources will be available for such purposes;

(3) a statement of the source of funds for covering the costs of preparing the plan which are not covered by any grant under the title;

(4) a summary of the comments on the application received by the applicant under subsection (d)(2); and

(5) such other information as the Secretary may require.

The subsection also requires that the applications should be simple and in concise form and require only such information as may be necessary to allow the Secretary to efficiently and effectively consider the application. This requirement was adopted by the Committee in recognition of the limited resources of many small communities and recognized bodies of Indian tribes and is designed to assure that such communities and tribes are fully able to compete successfully against larger units of local government.

The statement of the source of funds for covering the cost of the plan other than funds to be provided by a grant under the title should include in-kind contributions and matching services that the Secretary is to consider as a part of the non-Federal share of the costs of preparing the plan.

Subsection (g) provides that, subject to the availability of funds, the Secretary may approve a grant under the section if he finds that the requirements of the title regarding applications has been met. In determining whether to approve a grant, the section requires the Secretary to take into account whether the unit or units of local government involved in the application have energy plans and, if so, the adequacy of those plans. Through this provision, the Committee intended to permit the Secretary to make planning grants to an applicant even if the unit, or units, of local government covered by the application had an energy plan, if that energy plan does not meet the requirements of the title. It also intended to permit the Secretary to make a grant to an applicant representing a consolidation of more than one unit of local government even though individual units may have energy plans meeting the requirements of the title, if the Secretary finds that such grant is necessary to prepare a consolidated application for the units involved.

The subsection requires that any grant under the section be on terms and conditions which the Secretary determines to be appropriate and which are consistent with the purposes of the Act. The terms and conditions shall provide that the local energy plan will be completed and submitted to the Secretary on the date specified in the grant application and no later than 24 months after the date of grant approval. It also requires that before the grant is submitted to the Secretary the applicant will make copies available to the public and provide an opportunity of not less than 60 days for oral or written public comment and provides that the applicant may make such modifications in the plan as the applicant deems appropriate on the basis of public comment and requires implementation of aspects of the plan which do not require substantial cost to the applicant or any person affected by the plan.

As pointed out above, because the requirement of formal public hearings sometimes results in unnecessary delay and complication, the Committee did not adopt such a requirement. However, it is the express intent of the Committee that the Secretary affirmatively encourage public hearings and that, unless he finds that such hearings would result in unnecessary complication or delay, he give priority to plans which have been the subject of a public hearing in some reasonable form.

In requiring that any aspects of a plan which do not require substantial cost to the applicant or any person affected by the plan be implemented, the Committee intended only to include such aspects as are within the jurisdiction of the unit or units of local government at the time of the adoption of the plan. Aspects of the plan which would require changes or additions in the jurisdiction of such unit or units are obviously exempted from the requirement.

Finally the subsection permits the Secretary to extend the date by which any action is required to be taken under the subsection.

Subsection (h) directs the Secretary to prescribe procedures which permit and encourage units of local government to consolidate the filing of applications under the section and the preparing of local energy plans for those units which file such applications. In the event that separate applications are received from a unit, or units, of local government which are within the jurisdiction of another unit of local government also filing an application, the Secretary may require, under procedures which he shall prescribe, that the application be consolidated.

The Committee believes that consolidation is a very important aspect of the program initiated under the title. Considering the tens of thousands of diverse units of local government throughout the Nation, the speed with which the program is implemented, and even the ultimate success of the program itself, could well hinge upon the degree to which various units join together in cooperative action. While the aim of the program is to spur the creative genius of American communities to develop new and creative ways of conserving energy and increasing the use of renewable resources, this does not mean that the program should be used as a vehicle for spawning a hodgepodge of inconsistent or contradictory programs.

The Secretary is expected to give priority to consolidated programs unless no consolidation is possible or feasible. If a unit of local government within the jurisdiction of another unit of local government files an application and the superior unit also files an application, the Secretary may under the authority of the subsection refuse to fund either application until they are consolidated, if he determines that such consolidation is desirable to carry out the purposes of the Act. On the other hand, if he determines that the applications are not inconsistent and that both carry out the purposes of the Act, he may approve both. Thus, for example, if a large city is located within a county which also has small towns and rural areas, and the city provides a wide range of municipal services to its residents, the Secretary may well find that separate plans, one for the urban area and one for the suburban-rural area, might better carry out the purposes of the Act than a consolidated plan. It is also conceivable that the Secretary might find that the purposes of the Act are better carried out by allowing three separate applications, one for the City, one for the suburban area, and one for the rural area. He might even find that due to special geographic, demographic or other characteristics the purposes of the Act might better be carried out if one or more of the suburban communities were to join in still a fourth application. The Secretary might also find that local communities in different States share common problems and common interests to such a degree as to justify the filing of a consolidated application. Nothing in this Act should be construed as presenting an impediment to such

a consolidation, if consistent with other provisions of Federal, State and local law. In short, the Committee views the consolidation provisions as a tool through the use of which the Secretary working with local communities can fashion the most effective and efficient programs for carrying out the purposes of this Act.

An amendment was offered which would specify that small towns in a community such as Orange County, California (which includes a number of small cities under population 50,000), would be allowed to consolidate and would not in any way be at a disadvantage because of their size or geographic situation. The Committee held that such a specific amendment was not necessary since consolidations like that described in the amendment, were encouraged in the bill as it is, and the amendment was withdrawn accordingly.

Finally the subsection requires that the Secretary shall initially prescribe and make effective regulations required to implement the section not later than 60 days after the date of enactment of the Act.

Section 102. Grants to Assist Implementation of Community Energy Plans

Subsection (a) authorizes the Secretary, in accordance with the section, section 105, and such regulations as the Secretary may prescribe, to commit to make, and to make, a grant to any applicant for the costs of implementing a local energy plan, whether or not prepared pursuant to a grant under section 101, if that plan is approved under subsection (c).

It specifies that funds may be provided for only one 12-month period for the implementation of any local energy plan, except that the Secretary may, on request, extend the period of the funding, but no longer than 36 months.

Subsection (b) specifies that the amount of any grant under the subsection shall not exceed 50 percent of the reasonable cost paid or incurred by the applicant in implementing a local energy plan and requires that the availability of financial assistance under other provisions of Federal law (other than under part H of Title III of the Energy Policy and Conservation Act) shall be taken into account in determining the amount of any grant under the section.

In adopting the provision requiring account to be taken of assistance available to any applicant under other provisions of Federal law, the Committee intended that this should be used to prevent duplication of Federal funding for an application, or part of an application, but not to prevent coordination or combination with or use of other Federal funds, which will add to an applicant's ability to implement plans for increased conservation of energy or use of renewable resources, or both.

The Committee exempted funds authorized under part H of Title III of EPCA because it wanted to encourage local units of government to utilize the assistance provided for energy audits and technical assistance under that program. The Committee notes that the program of assistance offered under part G of Title III of EPCA (Schools and Hospitals) has been remarkably successful in reducing energy consumption in such buildings. DOE reports that in the first cycle alone, which was completed earlier this year, a total of 11,402 buildings received $117,000,000 in Federal assistance for the installation of energy conservation measures or in the form of technical assistance, and the

energy savings to those buildings will be the equivalent to 4,560,000 barrels of oil per year every year thereafter. In the second cycle, which is currently under way, an estimated 11,000 buildings will receive a total of $115,000,000 in Federal assistance and the energy savings will be the equivalent of 4,500,000 barrels of oil per year, making the total savings that will result from the first two cycles of this program the equivalent of 9,060,000 barrels of oil every year thereafter.

The Committee has been disappointed at the failure of local governments to avail themselves of this program. The most common explanation for the failure is that since local governments are not able to obtain grants for the installation of energy conservation measures, they feel that the program does not offer them significant assistance. In effect the local governments are saying: We don't need money to tell us what is wrong with our buildings. We know that already. What we need is money to do something about it.

Experience with the Schools and Hospitals program indicates that this is a serious misconception. Experts report that as a result of an energy audit the average reduction of energy consumption is about 15 percent. This results principally from changes in operating and maintenance procedures which the audit reveals to be faulty and involve no substantial expense to correct. Much larger savings can be achieved through technical assistance programs and the Committee notes that 78 percent of the grants under the Schools and Hospitals program have involved only technical assistance.

It may well be that experience will show that the addition of energy conservation measure grants to the assistance under part H of Title III of EPCA is warranted. The Committee will have difficulty in making that judgment if the local governments do not avail themselves of the auditing program available and funded, so as to give the Committee evidence of the need for such action.

Subsection (c) requires that a grant under the section shall only be provided upon the approval by the Secretary of an application containing information required in subsection (d) and authorizes the Secretary to prescribe the periods during which applications may be filed and considered under the section. If further provides that the Secretary may not approve a grant under the section unless he determines that the local energy plan involved meets the requirements set forth in section 101(b) and that reasonable efforts have been made to obtain funding under the provisions of part H of Title III of EPCA.

The purpose of this latter provision is to see that the Committee intention regarding buildings owned by units of local government described in the analysis of subsection (b), above, is carried out.

Finally, the section requires that the applicant shall provide for reasonable notice and opportunity for public comment on any application before it is submitted and shall provide the Governor of the State where the unit of local government involved is located with a copy of the proposed application.

Again, recognizing that the requirement of formal public hearings sometimes results in unnecessary delay and complication, the Committee did not adopt such a requirement. However, it is the express intent of the Committee that the Secretary affirmatively encourage public hearings and that, unless he finds that such hearings would result in unnecessary complication or delay, he give priority to applications

which have been the subject of a public hearing or hearings in some reasonable form.

Subsection (d) specifies that applications for a grant under the section for implementation of a local energy plan shall include:

(1) a copy of the local energy plan, together with any related implementation data and information;

(2) a commitment that upon termination of the grant the applicant will continue implementation of the plan and undertake oversight and review of the plan and its implementation, together with such assurances as the Secretary considers appropriate that resources will be available for such purposes;

(3) a statement of the source of funds for covering those costs of implementing the plan which are not covered by any grant under the title;

(4) evidence demonstrating that the actions proposed to be funded under the local energy plan are practicable;

(5) a summary of the comments on the plan received by the applicant under section 101(g)(3)(B), and any modifications in the plan based on such comments, together with a summary of comments received by the applicant on the grant application under the section; and

(6) such other information as the Secretary may require.

The subsection also requires that the applications should be simple and in concise form and require only such information as may be necessary to allow the Secretary to efficiently and effectively consider the application. This latter requirement was adopted by the Committee to protect the interests of small communities and recognized bodies of Indian tribes in the same manner and for the same purposes as the similar requirement adopted in section 101(f).

Subsection (e) authorizes the Secretary, after consideration of any grant application under the section and subject to the availability of funds, to approve a grant under the section if he finds that the requirements of the title regarding such application have been met. It also provides that in determining whether to approve a grant application under the section, the Secretary shall give priority to those applications which, for the funds involved, will produce the greatest energy conservation or use of renewable resources, which will require the least amount of public subsidy after the implementation period for which the grant is made under the section, and which are replicable.

The Committee recognizes that with limited funds available, the Secretary may have some initial difficulty in establishing priority between projects. In keeping with National policy established by Congress, it is the intent of the Committee, that faced with projects of equivalent value, the Secretary shall give priority first to those that result in a reduction in the consumption of oil and, second, to those that result in a reduction in the consumption of gas. Within those categories, he shall give priority to those projects which will result in the greatest reduction in the consumption of imported oil.

In determining which projects will require the least public subsidy after the implementation period, the Secretary is to consider the economic savings that will result from the project. Thus if a project requires a public subsidy of $1,000 per month and the reduction in energy consumption resulting from the program will result in savings of $1,000 per month, the Secretary is to give that project priority over

a project that will require a public subsidy of $1,000 but will produce savings of only $900 per month from reduced energy consumption. However, the Committee intends for the Secretary to assess claimed economic savings and loss and does not intend to bind the Secretary to estimated savings projected by particular applicants or life-cycle cost analysis of each application.

Subsection (f) requires that the Secretary shall initially prescribe and make effective the regulations required to implement the section not later than 60 days after the date of enactment of the Act.

Section 103. Authorization

Subsection (a) authorizes an appropriation not to exceed $420,000,000 for the 3 fiscal years beginning after September 30, 1981, of which not to exceed $200,000,000 shall be available for making local energy planning grants under section 101, not to exceed $200,000,000 shall be available for implementing approved local energy plans under section 102, and not to exceed $20,000,000 shall be available for program administration under the title.

The Committee expressed considerable concern over the excessive use of non-Federal contractors in Department of Energy (DOE) projects. Recognizing that many, if not most communities, will have difficulty acquiring the skilled personnel and services necessary to carry out the terms of the title, it did not impose a limitation on contracting, but it expressed its intent that DOE must make every effort to see to it that where an applicant can develop in-house expertise or utilize the services of non-profit organizations to implement and administer planning and implementation projects, it do so. It is also the intent of the Committee that the technical assistance authority in section 105(a) be used generously to assist small communities that may lack the resources to efficiently utilize and supervise outside contractors.

Finally, the section provides that, if so specified in an appropriation Act, any amount appropriated pursuant to the title may remain available without fiscal year limitation and provides that any authority under the title to enter into a contract, commitment, grant agreement, or other agreement obligating the United States to make outlays pursuant to the title may be exercised only to such extent as may be provided in advance in appropriation Acts.

Section 104. Allocations of Grants

Subsection (a) requires the Secretary to allocate amounts authorized under section 103 in any fiscal year for the purpose of making grants under section 101 and 102 as follows:

(1) 80 percent of the amounts made available for any fiscal year is to be allocated among the several States in accordance with a formula he shall prescribe, by rule, taking into account population and climate of each State and such other factors as he may deem appropriate.

(2) 10 percent of such amounts is to be allocated in such manner as he determines, by rule, after taking into account the availability and cost of fuel or other energy consumed by, and within, the jurisdiction of each State and such other factors as he may deem appropriate.

(3) 10 percent of such amounts is to be allocated in hardship cases in accordance with the provisions of section 105(c) to the

extent such grants exceed the percentage limitation prescribed in sections 101(c) and 102(b).

The Committee adopted this allocation formula which was created to provide for the allocation of funds under Title III of EPCA because substantial experience with the Schools and Hospitals program authorized under that part has demonstrated that the provision is fair and effective. In addition, DOE and energy experts at the State and local levels are familiar with it and understand how it operates. Since the allocation formulas have been worked out and have been in operation for some time, there should be little or no delay in implementing regulations.

It was the explicit intention of the Committee that DOE should utilize the same program personnel in implementing this program that are now engaged in carrying out the provisions of Title III of EPCA, although the Committee expects the staff to be expanded to meet the demands of the new program.

Subsection (b) provides that the total amount allocated for any State under subsection (a) in any given year for section 101 or section 102 may not exceed 10 percent of the total amount allocated for all the States in such year under subsection (a) for that section.

Subsection (c) directs the Secretary to prescribe rules limiting the amount of funds committed or granted to an applicant which may be used for administrative expenses.

Subsection (d) provides that funds allocated under the section for projects in any State but not obligated in such fiscal year are to be available for reallocation in the subsequent fiscal year.

Section 105. General Provisions Regarding Grants

Subsection (a) provides that, upon request and subject to the availability of personnel and funds, the Secretary may provide information and technical assistance, including model law and model energy plans, to units of local government for the purpose of aiding such units in applying for grants under the title and in preparing, implementing and modifying local energy plans for grants provided under the title.

The Committee considers this provision to be of the utmost importance. It intends that the Secretary be prepared to assist different types and sizes of units of local government and that he is to give special attention to smaller units (and recognized bodies of Indian tribes) to enable them to compete more effectively with more sophisticated units of local governments in obtaining grants under the section. Initially, technical assistance is not to take the form of abstract Olympian plans drafted in Washington, but is to involve individuals with specialized knowledge and training working in and with selected local communities representing as broad a spectrum of geographic, demographic and climatologic conditions in the United States as funds, personnel and time will allow. The aim of this is to develop a fund of practical data about actual circumstances in the real world of local energy consumption and to develop techniques and programs that can be used to construct models so that this program can be quickly and efficiently made available to other communities through the nation. The Committee intends to exercise vigilant oversight over the development and implementation of this activity.

Subsection (b) provides that a grant or commitment may not be made under section 102 for any unit of local government (or any com-

bination in which that unit is consolidated for purposes of the title) during any fiscal year in which a grant or commitment is made under section 101 for such unit or such combination.

The Committee is aware of the possibility that a situation could arise in which a unit or units of local government could have acceptable plans but should, in the opinion of the Secretary, be included in a consolidation of other units without adequate plans. In that case, the original grant made to the consolidation should be for planning and the unit or units with the plan should not receive a grant in that year for implementation.

Subsection (c) directs the Secretary to prescribe procedures and criteria applicable to the consideration and approval of applications for grants under the title. It requires that such procedures and criteria shall ensure that the applications of all units of local government are given equal consideration without regard to the types of such units and the sizes of the communities involved and consideration is given to the fact that the limited administrative resources of small units of local government and recognized bodies of Indian tribes place such units at disadvantage in preparing for grants.

The intent of this provision was to ensure that all communities have opportunity to compete for grants even if the Secretary has to provide special help under subsection (a) of the section to small communities (and recognized bodies of Indian tribes) that lack the resources of larger and more sophisticated units of local government.

Subsection (d) provides that the Secretary may not approve any application for a grant under the title unless the Secretary has taken reasonable steps to verify cost estimates, including the reasonableness thereof and of other information contained in the application. It also provides that for the purpose of carrying out such verification or other functions under the title the Secretary shall determine that the work to be performed is appropriate to be performed by contract rather than by Federal employees, that such work cannot reasonably be performed by officers and employees of the Department of Energy under the jurisdiction of the Secretary and that the work is needed.

The Committee is aware that this provision could be interpreted so as to impede the implementation of the program under the title. Such a strict interpretation is not what the Committee expects. The emphasis in the subsection is upon the word "reasonable" and the Committee expects the Secretary to develop generalized methods of verification.

Subsection (e) provides that the Secretary may make grants in excess of the limitations contained in sections 101(c) and 102(b) in severe hardship cases and requires the Secretary to prescribe, by rule, criteria for determining applicants which are in a class of severe hardship, taking into account climate, fuel costs, fuel availability, ability to provide the non-Federal share of costs and such other factors as he deems appropriate.

The Committee notes that the implementation of a similar provision in the Schools and Hospitals program of Title III of EPCA has worked successfully and that as of August, 1980, approximately 15 percent of the grants have been adjusted for hardship cases. It intends that the activities under the subsection should be modeled, insofar as practicable, on those under the Schools and Hospitals program.

Subsection (f) requires the Secretary to complete final action on any application for a grant under the title as soon as possible after that application has been filed and not later than 120 days after the application is submitted, except that the Secretary may extend such period to a specified date with respect to any application if the Secretary publishes notice in the *Federal Register* and includes with such notice a statement of the reasons for such extension and if the extension does not extend beyond 24 months after the applications are filed.

Subsection (g) directs the Secretary to require all units of local government receiving grants under the title to keep such records as he may prescribe, including records which fully disclose the amount of and disposition by the recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the respective portions of the cost of the project or undertaking supplied by other sources and such other records as will facilitate an effective audit.

The Committee also adopted a provision that the Secretary shall prescribe only such records as are necessary for any such audit and shall minimize the burden imposed on such recipients to create and retain records. The purpose of this provision was to assure that thoughtless and unnecessary regulations not impose useless burdens upon units of local government and particularly smaller units (including recognized bodies of Indian tribes).

Finally, the subsection provides that the Secretary and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purposes of audit, evaluation, and examination to any books, documents, papers and records of such receipts which, in the opinion of the Secretary or the Comptroller General, may be related or pertinent to such grants.

Subsection (h) provides that nothing in the title shall be construed to authorize funds for research or development purposes.

Section 106. Annual Reports

The section requires the Secretary, within one year after the date of enactment of the title and annually thereafter while funds are available under the title, to submit to the Congress a detailed report of the actions taken under the title in the preceding fiscal year and the actions planned to be taken in the subsequent fiscal year. Such report is required to state the allocations made, including the allocations made for units of local government in each State, and is to include information on the types of actions taken, with funds allocated and an estimate of the energy savings achieved.

TITLE II—CONSOLIDATION AND COORDINATION OF CERTAIN STATE ENERGY GRANT PROGRAMS

Section 201. Consolidation and Coordination of Certain State Energy Grant Programs

Subsection (a) provides that, notwithstanding any other provision of law, a State may submit an annual consolidated application requesting financial assistance under Part D of Title III of the Energy Policy and Conservation Act. It also provides that the portion of the con-

solidated annual application for each program shall be approved by the State official or State agency specifically authorized to implement that program under State law.

Subsection (b) provides that the Secretary and the appropriate State official or State agency, by mutual agreement, may amend the program time period and any other administrative provision associated with financial assistance awarded under Part D of EPCA before the approval of the consolidated application and may agree that the unexpended balance of the funds made available under such program may continue to be available for the purposes for which those funds were appropriated. The purpose of this provision is to enable a State to submit a consolidated application described in subsection (a).

Subsection (c) requires the Secretary to prescribe rules providing, to the maximum extent practicable, uniformity, consolidation, and coordination in the records and accounting procedures required under programs under Part D of EPCA.

Subsection (d) specifies that nothing in the section shall be construed as limiting or restricting the authority of the Secretary to undertake consolidation or the administration of other financial assistance programs under the jurisdiction of the Secretary to the extent consistent with other provisions of the law.

Subsection (e) provides that the Secretary may prescribe rules allowing orderly transition from multiple applications for financial assistance for State energy programs under Part D of EPCA to the consolidation applications described in subsection (a) of the section. It also provides that in the case of agreements for financial assistance entered into under Part D of EPCA, before the date of enactment of this Act, the Secretary may consolidate into one agreement any such agreements and amend the time period covered by such agreements.

Section 202. The Programming of Certain Energy Grants

The section specifies that notwithstanding any other law, the Secretary may approve a State's request in a consolidated annual application under Section 201 to use financial assistance appropriated for the administrative costs of a State's energy program for expenditure for preparation of State emergency conservation plan under section 212 of the Emergency Energy Conservation Act of 1979 (42 U.S.C. 8512).

TITLE III—STATE LONG-RANGE ENERGY PLANS

Section 301. Grants for State Long-Range Energy Planning

Subsection (a) authorizes the Secretary, in accordance with the section, and such regulations as the Secretary may prescribe, to commit to make, and to make, a grant to any State for the costs of preparing, modifying, or administering a State long-range energy plan.

Subsection (b) specifies that for the purposes of the section, a State long-range energy plan is a plan approved by the Governor which contains:

> (a) an estimate of the then-current energy supply and demand within the State and a projection of energy supply and demand in the State over the five-year period following the year in which an application is filed under subsection (e);

(b) a description of the types of energy use affected by the plan and a statement of the State objectives for energy conservation and renewable resource use for such types of energy usage during the three-year period following the year in which the plan is filed under subsection (e) and thereafter;

(c) a description of, and cost estimates, for the programs that the State proposes to achieve its objectives in energy conservation and renewable resources; and

(d) a description of the ways in which the State will monitor and assess progress in meeting such objectives.

The subsection also provides that in developing a long-range energy plan, each State shall consider:

(a) programs by natural gas utilities and by electric utilities regulated by the State to promote energy conservation and the use of renewable resources;

(b) State tax measures or other financial incentives to encourage energy conservation and use of renewable resources;

(c) measures designed to conserve energy used for transportation; and

(d) other programs to promote energy conservation and the use of renewable resources.

Finally, each State long-range energy plan shall, in accordance with such regulations as the Secretary may prescribe, provide for coordination among Federal, State, and local, energy use and conservation programs, activities and objectives.

Subsection (c) provides that the amount of any grant under the section for any State shall not exceed 50 percent of the reasonable costs paid or incurred by the State in preparing a long-range energy plan and requires that the availability of financial assistance to a State under other provisions of Federal law shall be taken into account in determining the amount of any grant under the section to that State.

Subsection (d) requires that a grant shall be provided under the section only upon the approval by the Secretary of an application filed by a State containing such information as the Secretary may require and also requires that a State shall provide for reasonable notice and opportunity for public comment on any application before it is submitted under the section.

Subsection (e) provides that no grant may be made under the section unless an application approved by the Governor for a grant under the section for that State is filed with the Secretary during the six-month period beginning on the date on which funds are first appropriated for the title. It also provides that the Secretary may extend the period of filing an application under the subsection.

Subsection (f) directs that after considering an application the Secretary is to approve such application for a grant subject to the availability of funds, if the Secretary finds that the requirements of the regulations issued under the section regarding the application have been met. It also directs the Secretary to approve or disapprove an application within 120 days after the date it is received, and specifies that any grant under the section shall be made on terms and conditions which the Secretary determines are appropriate and which are consistent with the purposes of the Act. It requires that the terms and

conditions of any grant for the appropriation or modification of a State long-range energy plan must:

(a) provide that the State long-range energy plan involved will be completed and submitted to the Secretary on the date specified in the grant application which shall not be later than nine months after the date of the grant approval;

(b) require that before submittal to the Secretary the State will make copies of the proposed plan available to the public and provide an opportunity of not less than 90 days duration for all written public comment, make such modifications in the plan as the State considers appropriate on the basis of public comments and require implementation of any aspects of the plan which do not require substantial cost to the State or any person affected by the plan.

Finally, the subsection provides that the State may extend the date by which any action is required to be taken by any State under paragraphs (2) or (3).

Subsection (g) requires the Secretary to review a timely submission of a State long-range energy plan and directs the Secretary to approve or disapprove such a plan or a modification thereof within 120 days after receipt of the plan, if the Secretary determines that the plan or its modification provides for energy conservation, encourages the use of renewable resources through technologies which are commercially available, complies with the requirements of the section and is consistent with the Federal laws and programs. The Subsection also specifies that a State long-range energy plan shall be approved by the Secretary for a period of two years or such other period as the Secretary may determine appropriate for the implementation of the plan.

Finally, in the case of any State, the Secretary may extend the date by which any action is required to be taken under paragraph (1).

Subsection (h) requires the Secretary to initially prescribe and make effective the regulations required to implement the section not later than 60 days after the date of enactmen of the Act.

Section 302. Authorization of Appropriations

Subsection (a) provides that for the purposes of the title, including the administrative and technical assistance costs of the Secretary, there is authorized to be appropriated to the Secretary $100,000,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984.

Subsection (b) provides that not more than 50 percent of the funds appropriated pursuant to subsection (a) for any fiscal year and expended for work performed for the Secretary may be expended for work performed by contract. It also provides that, if so specified in an appropriation Act, any amount appropriated pursuant to the title may remain available without fiscal year limitation. Finally, it provides that any authority under the title to enter into a contract, commitment, grant agreement, or other agreement obligating the United States to make outlays pursuant to the title may be exercised only to such extent as may be provided in advance in appropriation Acts.

Section 303. Allocation of Grants

Subsection (a) requires the Secretary to allocate the funds available for financial assistance under the title among the States in any fiscal year in the following manner:

(1) 75 percent is to be allocated on the basis of the resident population of the States; and

(2) 25 percent is to be allocated equally among the States.

Subsection (b) specifies that funds allocated under the title to any State for a fiscal year but not obligated by the Secretary in that fiscal year may, at the option of the Secretary, be allocated among the States for the following fiscal year.

Section 304. General Provisions Regarding Grants

Subsection (a) authorizes the Secretary, upon request and subject to the availability of personnel and funds, to provide information and technical assistance, including model laws and model State energy plans, to States for the purpose of aiding such States in applying for grants under the title and in preparing, modifying, administering and implementing State energy plans for which grants are provided under the title.

Subsection (b) directs the Secretary to require all States receiving grants under the title to keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by the recipient of the proceeds of any assistance, the total cost of the project or undertaking in connection with which the assistance was given or used, the respective portions of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. The section also requires that the Secretary and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purposes of audit, evaluation, and examination, to any books, documents, papers, and records of such receipts, which in the opinion of the Secretary or the Comptroller General may be related to or pertinent to such grant.

Subsection (c) specifies that nothing in the title shall be construed to authorize funds for research or development purposes.

Changes in Existing Law Made by the Bill, as Reported

The bill as reported makes no changes in existing law.

MINORITY VIEWS ON S. 1280—COMMUNITY AND STATE ENERGY PLANNING ASSISTANCE ACT (EMPA)

Over the last several years, the Congress has enacted a virtual grab bag of energy conservaion planning and grant programs for State and local governments. Predictably, the administration of many of these programs by the Department of Energy has frustrated the efforts of the States and localities to reach into the grab bag and participate. It seems that even when handling a program it supports, such as improved energy efficiency in schools and hospitals, the DOE manages to drown worthy applicants in confusing forms and regulations. Even when a State has successfully maneuvered itself through the red tape, it must stand by while the DOE sits on its hands.

The original promise of S. 1280 was the streamlining of the administration of programs already established. In many ways, the Committee has stuck to this course, avoiding the inclination to add on specific new requirements to the receipt of Federal grants. For example, according to the official draft of the bill sent to the Committee by the DOE, each State would have been required to adopt a whole litany of DOE pet projects—some of which were highly questionable—before being qualified by DOE to receive funds under the Act. The Committee wisely rejected that approach.

Prudence and moderation have not entirely guided the Committee's drafting, unfortunately. The real promise of the bill—severing the authority of DOE to attach strings to these programs—has not been fully realized. S. 1280 could and should have adopted more of a revenue sharing approach. The Committee should have let the States decide which energy conservation programs work best. Instead, S. 1280 grants to the DOE broad discretion to set "terms and conditions" upon the use of funds by state and local recipients, thereby setting the stage for redtape.

S. 1280 also veered off course in another significant way: it authorizes a huge new grab bag of money—$720 million over three fiscal years—for more "energy planning" by the States and localities. What is most distressing is that energy planning rarely results in either the production or conservation of energy. In fact, the surest result of these new planning and grant programs will be the enrichment of the contracting firms which will prey upon State and local officials in their efforts to obtain federal funds. If the emphasis on "planning" were replaced with a revenue-sharing concept, the governments themselves would have an opportunity to put the funds to a productive use.

The bill could serve a useful purpose. It should be revised by the House to do so. The broad discretion of the DOE to dictate to the States and localities should be eliminated, the expenditure of funds for "planning" should be curtailed, and the overall authorization should be cut in recognition of the fact that the Federal government has already run up a record deficit.

The Minority recognizes that the tendency to load up a bill such as this is difficult for many to resist. Discipline in this instance, however, is essential if the Congress is to create a solution to the present problem. If S. 1280 is enacted as is, the result may well be more of the same. And the States and cities, instead of receiving deliverance from red tape will again be mired in frustration. When this occurs, Congress will have only itself to blame.

The Federal dominance over State and local governments through grant programs is not limited to DOE energy conservation programs. It is one of the most pressing and, sadly, unanswered problems of modern society.

A recent report of the Congressionally-created Advisory Commission on Intergovernmental Relations details some disturbing evidence that the extent—and harm—of the Federal takeover is far greater than many Members realize. For example, the Commission has found that Federal regulations imposed upon State and local governments have grown from an insignificant amount in 1960 to an overwhelming amount today. By this indirect manner Washington has taken control of local governments away from local officials. The Commission concludes that in administering these programs the Federal government "has left no government jurisdiction, and very few citizens, untouched."

The Commission sharply criticizes the usual response of Congress to complaints from State capitals and city halls—cosmetic modifications in Federal-State-local relations. The Commission recommends that bolder action is a requirement.

The Minority fully agrees and believes that the overhaul of the DOE energy conservation programs would be an excellent start. After all, the chief problem the States and localities identified to the Committee in these DOE programs has been the DOE itself. S. 1280 does not, but shoud, squarely deal with the burgeoning power of the DOE. Otherwise, the bill will be no more than another indication of the inability of the Congress to face up to its own responsibility to restrain the Federal government.

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